

Testimony on:
Kansas Health Policy Authority Overview

presented to:
Senate Committee on Public Health and Welfare

by:
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Senate Committee on Public Health and Welfare
January 10, 2007

Kansas Health Policy Authority Overview

Good afternoon, Mr. Chairman and members of the Committee. I appreciate the opportunity to update the Senate Committee on Public Health and Welfare regarding the Kansas Health Policy Authority's activities since last legislative session. I want to give you a brief overview of the work this agency has done and continues to do in the mission of improving health care for Kansans.

We believe we are an agency that coordinates health and health care for a thriving Kansas. In fact, that is our vision statement, and I believe it correlates well with the mission the Legislature gave us. In addition to launching our vision statement for our employees this past Monday, the Authority has taken on a number of initiatives since we became a new independent agency in July of last year:

- ***Focused on budget and finance.*** Since I became Executive Director in July, the Kansas Health Policy Authority has placed a focus on the budget and finance areas of the agency.
 - KHPA developed and received Board approval for its first budget as a state agency.
 - KHPA is now engaged in monthly public reporting of budget performance and financial status, including key administrative and programmatic details.
 - KHPA is reorganized to reflect the increased focus on financial and budgetary responsibilities, including the hiring of the agency's first Chief Financial Officer, Scott Brunner, former Director of the Kansas Medicaid and HealthWave programs.
- ***Increased communication.*** Transparency is an important part of the process of advancing health policy in the state, and effective communication is a significant means to increase our transparency. The Kansas Health Policy Authority has worked to increase its communication efforts with all stakeholders.
 - KHPA developed a new website, which is updated daily, to better inform consumers, providers, and purchasers about our programs and policies.
 - The agency instituted new ways to communicate with its staff, including the creation of a staff e-newsletter, which is distributed weekly to staff members, and established quarterly all-staff town hall meetings.
 - KHPA conducted five town hall meetings for stakeholders. These community meetings were held in Hays, Kansas City, Wichita, Pittsburg, and Garden City, allowing area residents an opportunity to voice opinions regarding the future of the Kansas health system.
 - KHPA created an Interagency Deputy Secretaries Planning Group to better coordinate the health issues and policies facing the State and Kansans. The group meets monthly to discuss new initiatives, share ideas, and facilitate effective programmatic coordination.
- ***Developed and maintained relationships with stakeholders.*** Partnership is vital to successful programs and operations of the Kansas Health Policy Authority, and the agency has continued to develop its relationships with various stakeholders throughout Kansas.
 - KHPA collaborated with stakeholders to ensure the continued success of the Provider Assessment program.
 - The first two of an ongoing series of Disproportionate Share Hospital (DSH) policy planning meetings for hospitals were conducted to provide input that ensures funding is equitable and the program advances state health policy.

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- KHPA worked with other state agencies to develop and oversee implementation of a CMS audit, deferral, and disallowance work plan to resolve outstanding issues, led by Dr. Barb Langner, Associate Professor at The University of Kansas School of Nursing.
- KHPA has continued to support broadly collaborative efforts focused on health information technology and health information exchange initiatives aimed at improving quality and efficiency in health and health care.
- ***Renewed emphasis on health and wellness.*** With data showing the importance of a healthy lifestyle, the Kansas Health Policy Authority has worked to emphasize the importance of health and wellness.
 - L.J. Frederickson was hired as the State Employee Health Benefits and Plan Purchasing Director and is working to increase the promotion of health and wellness in the State Employees Health Benefits Plan (SEHBP), including signing a new pharmacy benefits manager contract with Caremark which will save the State \$3.6 million annually.
 - KHPA's quality and innovation team has analyzed State Employee Health Benefits Plan data, and planning has begun to enhance wellness efforts for state employees.
 - KHPA has explored additional health and wellness initiatives for Medicaid beneficiaries as outlined by the submitted FY 2008 budget, including reimbursement to physicians for weight management counseling, integrating Medicaid immunization records with KDHE, and a request for funding to study and implement health promotion programs for Medicaid beneficiaries.
- ***Strengthened Medicaid and HealthWave programs.*** As the single state agency for Medicaid, the Kansas Health Policy Authority has strengthened its Medicaid and HealthWave programs to provide affordable and quality care to enrolled Kansans.
 - On July 1, 2006, KHPA became the single state Medicaid agency, bringing efficiency to the program and maximizing the state's purchasing power. KHPA is applying this leadership role in the multi-agency Medicaid program to increase transparency, improve cooperation, and streamline operations.
 - KHPA signed two contracts for Medicaid managed care services with two contractors, saving the state between \$10 to \$15 million annually and introducing choice and competition into this important and growing market.
 - KHPA submitted six Medicaid transformation grant proposals which will work to increase quality and efficiency of care.
 - KHPA conducted a systematic review of its Medicaid Information Technology Architecture (MITA) to identify opportunities for structural improvement in data management and operational structures. Future MITA reviews will focus on organization structure to more effectively coordinate health care purchasing.

In terms of a vision and broad goals for the Authority -- which is the purview of the Health Policy Authority Board -- the legislation is clear. The Kansas Health Policy Authority shall develop and maintain a coordinated health policy agenda that combines the effective purchasing and administration of health care with health promotion oriented public health strategies. The powers, duties, and functions of the Authority are intended to be exercised to improve the health of the people of Kansas by increasing the quality, efficiency, and effectiveness of health services and public health programs.

At the Board Retreat held in February 2006, there were a number of strategies and long-term goals developed to assist the Board in meeting its broad mission and charge. Using these strategies as a guideline, the Board, during recent meetings and after many spirited discussions, identified overall priorities and goals for the Authority. This fall, the Board refined and approved the draft Vision Principles to include the six areas as

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described below.

- Access to Health Care
- Quality and Efficiency in Health Care
- Affordable and Sustainable Health Care
- Promoting Health and Wellness
- Stewardship
- Education and Engagement of the Public

Access to Health Care. The intent of the first vision principle, Access to Health Care, is that Kansans should have access to patient-centered health care and public health services which ensure the right care, at the right time, and at the right place. The Authority will analyze and seek to eliminate the many barriers Kansans face in attaining preventive health services. This includes making available non-emergent care options for uninsured populations seeking primary care services.

Quality and Efficiency. The second principle, Quality and Efficiency, addresses how the health delivery system in Kansas should focus on quality, safety, and efficiency, and be based on best practices and evidence-based medicine. It also means that health promotion and disease prevention should be integrated into the delivery of health services. Addressing quality and safety are very important in ensuring that Kansans receive the appropriate care to prevent further health complications. Ensuring that Kansans receive appropriate care, while containing costs, is a challenge for all health care providers. A great deal of work is currently being done in the field of health information technology and exchange. Several initiatives currently underway include the Governor's Health Care Cost Containment Commission (staffed by the Authority), Advanced Technology ID cards, and the Community Health Record of which e-prescribing is a critical part. Evidence-based medicine is the conscientious, explicit and judicious use of the current best evidence in making decisions about the care of individual patients. Employing these concepts yields efficiency in health finance, and that leads to the next principle.

Affordable and Sustainable Health Care. The third principle, Affordable and Sustainable Health Care, speaks to the financing of health care in Kansas and how it should be equitable, seamless, and sustainable for consumers, purchasers, and government. Regardless of geography or insurance status, access to affordable health care must meet the varying needs of Kansans across the State. Kansans should be able to depend upon a stable health system for their families without undermining the economic growth of our State.

Health and Wellness. The next principle, Promoting Health and Wellness, emphasizes that Kansans should pursue healthy lifestyles with a focus on wellness – to include physical activity, nutrition, and refraining from tobacco use – as well as through the informed use of health services over their life course. Whenever possible, the Authority intends to implement programs that seek to encourage Kansans to improve their own health. These programs will include evaluation, education, and even incentives. Combined with incentives, providing affordable health care for Kansans may result in more individuals taking advantage of preventive services. Additionally, we will encourage partnerships among health care providers and patients, and incentives for providers and beneficiaries to promote prevention and healthy behaviors will need to be explored.

Responsible Stewardship. The next principle, Stewardship, means that the Authority will operate with the highest level of integrity, responsibility, and transparency for the resources entrusted to us by the citizens and the State of Kansas. First and foremost, the members of the Authority Board will make every effort to ensure that the policy options we put forth balance the best interests of all involved parties, including taxpayers and those that need and provide health services. At the same time, the State has created this as an independent

agency to encourage decision making and idea fostering with regard to health care to not be affected by other political forces that commonly affect State agencies. The Authority plans to take advantage of this objective decision making environment that holds such a noble goal in the forefront.

Education and Engagement of the Public. Last but not least, Education and Engagement of the Public calls for Kansans to be educated about both health and health care delivery to encourage public engagement in developing an improved health system for all Kansans. One of the greatest challenges of the health system is communicating its issues outside of the health community. The system is complicated and as a result, it is easy for the public to become disengaged. And yet, every Kansas family is directly affected by their and others' health care costs. This is the reason that the Authority seeks to engage the public in the discussion about improving our health system and also our personal responsibility for our own health.

These vision principles will be used to help guide the Authority in the direction of formulating a comprehensive health agenda to achieve the goals laid out by the legislature.

As required by statute, in 2006, the Kansas Health Policy Authority Board developed and approved an initial set of health indicators that correlate with each vision principle. These indicators will include baseline and trend data on health care, health outcomes, healthy behaviors, KHPA operational integrity, and health costs.

In 2007, these health indicators will be prioritized, reviewed, and approved by the KHPA Board. The next step will be to identify the best way to quantify and measure these indicators to observe changes over time and track the impact of state health policy initiatives. The process for identifying the specific measures to be used will soon be finalized and options will be discussed by the Board in the near future.

On January 22-23, the Board will be holding its annual retreat at the Eldridge Hotel in Lawrence. We will be discussing a number of items as well as hearing from Chairman Barnett, Governor Kathleen Sebelius, and House and Senate leaders regarding their health care goals for the Legislative session. We will also be discussing our goals for the future of health care in Kansas.

As we participate in this legislative process and look to the future, we look forward to working closely with you to advance these ambitious goals to improve the health of all Kansans. I thank you for your time and welcome any of your questions.



KHPA: Legislative History

Marcia J Nielsen PhD MPH
Executive Director, Kansas Health Policy Authority



- Created in 2005 Legislative Session
- Built on an “Executive Reorganization Order” proposed by the Governor
- Modified by State Legislature to:
 - Create a nine member Board to govern health policy
 - Executive Director reports to Board
 - Added a specific focus on health promotion and data driven policy making

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KUMC, 10/6/2005



- The general charge of the Authority is to:
 - (1) develop and maintain a coordinated health policy agenda that
 - (2) combines effective purchasing and administration of health care
 - (3) with health promotion oriented public health strategies
 - (4) which is driven by health data



July 1, 2005

Kansas Health Policy Authority Established. Transfer programs of programs to a Division first, then to a separate agency.

January 1, 2006

Assume responsibilities of Health Care Data Governing Board and oversight of KS Business Health Partnership program.

March 1, 2006

Authority plan for various program transfers submitted to Legislature.

July 1, 2006

Transfer programs to Authority.

2007 Legislative Session

Authority plan for additional program transfers submitted to 2007 and 2008 Legislatures.

2008 Legislative Session

KHPA Board Members

- Nine voting board members
 - Three members appointed by the Governor
 - Six members appointed by legislative leaders.
- Seven nonvoting, *ex officio* members include:
 - Secretaries of Health and Environment, Social and Rehabilitation Services, Administration, and Aging; the Director of Health in the Department of Health and Environment; the Commissioner of Insurance; and the Executive Director of the Authority.

Programs Transferred to KHPA in 2006

- Medicaid
(Regular Medicaid)
- MediKan
- State Children's
Health Insurance
Program
- Ticket to
Work/Working Healthy
- Medicaid Management
Information System
- Medicaid Drug
Utilization Review &
related programs
- State Employee Health
Insurance
- State Workers
Compensation
- Health Care Data
Governing Board
- Business Health
Partnership Program

*KHPA: Coordinating health
and health care for a
thriving Kansas*



Vision Principles

- Adopted by the Board this fall
- Will provide direction to the Board as they and this agency develops and maintains a coordinated health policy agenda
- Guiding framework of the Board and the work the Agency intends to accomplish

Six Vision Principles

- Access to Care
- Health and Wellness
- Quality and Efficiency
- Responsible Stewardship
- Affordable and Sustainable Health Care
- Education and Engagement of the Public

Access to Care

Kansans should have access to patient-centered health care and public health services which ensure the right care, at the right time, and the right place.

- Analyze and seek to eliminate barriers
- Make available non-emergent care options for uninsured populations seeking services

Quality and Efficiency

The delivery of care in Kansas should emphasize positive outcomes, safety and efficiency and be based on best practices and evidence-based medicine.

- *Health promotion and disease prevention should be integrated*
- *Ensure Kansans receive appropriate care to prevent future health complications*

Affordable & Sustainable Health Care

The financing of health care and health promotion in Kansas should be equitable, seamless, and sustainable for consumers, providers, purchasers, and government.

- *Access to care must meet the varying needs of Kansans across the State*
- *Accessible stable health system without undermining State's economic growth*

Health and Wellness

Kansans should pursue healthy lifestyles with a focus on wellness as well as a focus on the informed use of health services over their life course.

- Implement programs to encourage Kansans to improve own health
- Encourage partnerships among providers and patients
- Incentives for providers and beneficiaries will be explored

Responsible Stewardship

The KHPA will administer the resources entrusted to us by the citizens and the State with the highest level of integrity, responsibility and transparency.

- *Ensure policy options balance best interests of all involved parties*
- *Take advantage of this objective decision-making environment to foster ideas*

Education & Engagement of the Public

Kansans should be educated about health and health care delivery to encourage public engagement in developing an improved health system for all.

- *Communicate issues outside of the health community*
- *Public engagement key to improving our health system*